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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 003427

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TAGS: EFIN ENRG EPET IZ MASS MOPS PGOV PREL SUBJECT: IRAQ NATIONAL ENERGY COUNCIL REVIEWS ENERGY INFRASTRUCTURE AND SECURITY

REF: BAGHDAD 3324 AND PREVIOUS

Classified By: ACTING ECONOMIC COUNSELOR HARRY O'HARA FOR REASONS 1.4 B

- (SBU) On August 16, the National Energy Council met to update DPM Chalabi on energy production and infrastructure security actions in Iraq. Ministry of Electricity reported an average electric power production rate of 4300 MW/hr with a high total of 4760 MW/hr, and a daily total of 103,000 MWH. The MOE goal remained at 130,000 daily total of 103,000 MWH. The MOE goal remained at 101, MWH. The DPM instructed an improvement of the hydroelectric from Hadithah Dam. The ministers discussed and of 10,500 MW for the summer of 2006. BG Kamal reported improvements in the security of pipelines and electrical lines across Iraq, however the DPM was not satisfied with the progress on infrastructure security. DPM prioritized the security goals to include the provision of essential services to the people of Baghdad. END SUMMARY.
- (SBU) DPM Ahmed Chalabi convened the meeting of the ITG National Energy Council (NEC) on August 15, 2005. purpose of the meeting was to review the status of energy infrastructure security actions across Iraq. Those attending included the Ministers of Water Resources (MOWR), Finance (MOF), Interior (MOI), Trade (MOT), Deputy Minister of Electricity (ME), Deputy Minister of Industry and Minerals (MIM), Deputy Minister of Transportation (MOTRANS), Deputy National Security Advisor (NSC), BG Kamal of the Iraqi Armed Forces, Governor of the Central Bank of Iraq (CBI), Infrastructure Coordination Center Chief (ICC), POLMILCOUNS, IRMO Deputy Director, and ECONOFF.

REPORT OF THE MINISTRY OF ELECTRICITY

- (SBU) The Deputy Minister of Electricity (MOE) began the meeting with a review of the electricity generation capacity in Iraq. The MOE stated Iraq was producing 103,000 MWH per day, with an average of 4300 MW/hr, and a high generation rate of 4760 MW/hr. The MOE said the daily goal for electricity remained at 130,000 MWH. He explained the Musayyib power plant had three units working and generating 250 MW, however there was a need for Russian technicians to arrive in country and fix the turbines at the other unit at Musayyib. The MOE had arranged for their visit, and they were waiting for the visa approvals--the DPM told them to go to the airport and meet them and not worry about visas. The MOE reported that the electrical generation in the North was at 85 per cent of capacity, with the reductions coming from the 50 MW plants at Bayji, where there were problems with the gas generators. The DPM requested a report at the next NEC meeting on the gas generators. Specifically, the DPM wanted to know why the plants were not generating electricity since they had good security, available gas, and no reason for not producing electricity. The MOE reported one of the LM 6000 at Qudas was not producing power because of equipment problems.

 MOE explained that the Musayyib power plant was not running at capacity due to breakdowns of equipment. The DPM demanded a report at the next meeting to "tell me how and what we need to do to get the additional 800 MW of power generation capacity that is currently not working on-line and producing capacity that is currently not working on-line and producing electricity. Provide that report at the next meeting."
- (SBU) The MOE and Minister of Water Resources (MOWR) then complained to the DPM that the Hadithah Dam was not generating sufficient hydroelectricity due to equipment problems at the dam. The MOWR said the technicians could not get to the power plant in the dam because the US forces guarded it. The MNF-I representative, COL Parker, explained that the repair crews could go to the dam power station, but they required continuous escort by the U.S. forces guarding the dam. Parker explained the USMC elements present would provide escorts for the repair crews, and that in the past the technicians had demanded to go without escorts. The DPM requested that MNF-I coordinate the escorts, and make sure that no one came in and destroyed the dam and power generators. DPM concluded saying, "We would prefer to have escorts because of all the inside sabotage which has occurred across Iraq.

ENERGY WAR ROOM?

15. (SBU) The DPM then requested to know what other problems were of concern to the group. The Ministry of Industry and Minerals (MIM) said the industries of MIM were short of fuel. The DPM noted the gas line had just been cut between the plants and Bayji. The DPM then said, "We need an Energy War Room!" The DPM directed the MIM draft a plan for an Energy Coordination Center.

Future Electricity Requirements

16. (SBU) The DPM discussed the requirements for the next 9 months in Iraq to meet the summer electricity demand for 12006. He said the current demand for electricity was 8500 MW, but would probably be 10,500 MW by mid-summer 2006. He instructed the MOE to tell him how the MOE would meet these requirements by 2006.

PIPELINE SECURITY

- 17. (SBU) BG Kamal reported a pipeline in the 9th Brigade area had been interdicted on August 15, and the units, which noticed the interdiction, had no communications to report the incident. Kamal said these units needed radios, vehicles, and better command and control to handle interdictions and reporting. Kamal told the DPM that the trees along the pipeline needed to be cut, and requested permission to do so. The DPM told Kamal he could not cut the trees, because they were in the process of trying to plant trees in Iraq, not destroy them. Kamal reported IEDS in the 2nd and 3rd Brigade areas, and a firefight with 10-12 fighters. The 3rd Brigade had won the firefight and saved an attack on the pipeline. The DPM told Kamal to reward the Army personnel who were involved. Kamal reported the 2nd and 3rd Brigades had also found 2 IEDs, one under a pipeline, and the other by an electrical tower. Kamal reported an attack on infrastructure at Al Nasiriyah. The DPM told the ministers to expect more attacks in the south, now that the northern security was improving, suggesting that the sabatours will change their tactics and locations of future attacks.
- 18. (SBU) The DPM informed the ministers that oil production in the north was now at 600 mbpd and exports would be 350 mbpd (NOTE: MOO is reporting 400 mbpd from Kirkuk oil fields. END NOTE). He requested an update from MNF-I on the security operations in the north. COL Parker from MNF-I informed the DPM that the 42nd ID had invested in hardening the pipeline and key nodes in the north, particularly in the vicinity of Al Fathah. Parker informed the DPM there had been no incidents at Al Fathah for over two months, since early June. The DPM requested that the MNF-I "inform MG Taluto that he was very pleased with the support from the 42nd ID and to personally thank him for the work of his soldiers in securing the northern pipeline and Al Fathah."

INTELLIGENCE SUPPORT

19. (C) BG Kamal informed the ministers that the intelligence coordination system is working. For example, Kamal said, "The contractors who built the electrical towers near Samarra, came back 24 hours later and blew them down. We know the man who did it, Mohammad Dakhl, and that is an example of how intelligence is working well." Kamal explained that intelligence from MOO was also working well, and they had found information leading to the discovery of IEDs on the Naft Khaneh pipeline. Kamal said, "We need a bigger space for the intelligence cell, where do you want to put the cell? At Camp Victory or at the MOD?" (NOTE: No decision was provided on where to host the intelligence cell. END NOTE) The DPM said, "Make sure each ministry is to have a representative at the intelligence coordination cell", and the MNF-I representative told the DPM that each ministry had representation there. The DPM told BG Kamal "we need a better strategic plan for geo-spatial mapping, so we know where our key facilities are located, and so we can respond to attacks on them."

PROTECTION PRIORITIES

110. (C) The DPM said, "We need to sort out the priority for security for the electrical infrastructure and fuel supplies. The goal of the insurgents is to cause maximum discomfort for the people of Baghdad, thus we need to protect the supply of essential services to Baghdad." The ministers discussed the available forces and the training readiness levels of the Iraqi forces and determined, in Kamal's assessment, that the

Iraqi forces cannot protect even 50 per cent of the key linear infrastructure. This was unsatisfactory to the DPM, and he demanded that the MOD develop plans and forces to protect the key infrastructure in Iraq. The DPM asked if he should direct the Iraqi Army to secure the pipelines.

NEXT MEETING AGENDA

 $\P 111.$ (SBU) The DPM set the agenda for the next meeting as follows: 1) The MOO is to present the status of exports of oil, and 2) The MOE is to provide a full report on the repairs at Hadithah Dam, Qudas, and Musayyib power plants.

COMMENT

112. (SBU) COMMENT: The NEC, particularly DPM Chalabi, continues to be dissatisfied by the progress of infrastructure protection for the provision of essential services across Iraq, particularly in the support of Baghdad. The emphasis on completing the security force deployments in the North continues, and there appears to be the start of an increased emphasis for infrastructure security in the South. END COMMENT.
Khalilzad